

Markit iBoxx USD Benchmark Indices

Independent, objective and transparent coverage and insight across all asset classes

The Markit iBoxx USD Index family represents the investment grade fixed income market for USD denominated bonds.

Markit Indices are widely used as benchmarks by investors and asset managers. They benefit from multiple-contributor pricing from selected leading financial institutions, which also provide support to the index family in research and trading.

In addition, separate Domestic and Eurodollar indices are published at all levels of the index hierarchy, except for Treasuries.

Index structure

Overall		
Treasuries	Sovereigns & Sub-sovereigns	Corporates
	Sovereigns	Financials
	Sub-sovereigns	– Sectors
	– Agencies	Non-financials
	– US Agencies	– Industries
	– Non-US Agencies	– Supersectors
	– Local Governments	– Sectors
	Supranationals	Senior
	Other Sub-sovereigns	Subordinated
Maturity and Rating Indices		

Inclusion criteria

Bond types	Eligible: Fixed coupon bonds, callable and putable bonds, step-up and event-driven bonds, amortising bonds with fixed sinking schedules, dated and undated hybrid capital, incl. fixed-to-floater bonds, RegS bonds.
	Excluded: Floating rate notes, zero coupon bonds, zero coupon step-ups and bonds whose whole coupon is paid at maturity, undated and fixed-to-floater non-hybrid capital bonds, convertibles, bonds cum or ex warrant, inflation-linked and other equity- or linked linked securities. Municipal bonds and other tax exempt bonds, 144As, private placements and retail bonds, brady bonds and restructured sovereign and sub-sovereign debt and non-US domestic USD debt.
Minimum time to maturity	Existing index constituents: 1 year
	New index insertions: 1.5 years
Amount outstanding	Treasuries: \$1 billion
	Non-Treasuries: \$500 million
Rating	Treasuries: No rating requirement
	Non-Treasuries: All bonds need to have an average rating of investment grade. Ratings from Fitch Ratings, Moody's Investor Service and Standard & Poor's Rating Services are considered. If more than one agency provides a rating, the average rating is attached to the bond

\$1 Trillion

OTC value linked to Markit Indices

\$47 Billion

in ETFs with Markit Fixed Income

8,000

bonds priced daily by
10 contributing banks

100+

licensed banks globally

Clients

Investment banks
Asset managers
Hedge funds
Insurance companies

More information

For more information on Markit indices, including access to index constituent data or to license any index for use as the basis of a financial product, please contact us at iboxx@markit.com, visit our website at markit.com/indices or call one of our regional offices:

London	+44 20 7260 2000
New York	+1 917 441 6658
Dallas	+1 972 560 4420
Sydney	+61 2 8076 1100
Tokyo	+81 3 6402 0130
Singapore	+65 6922 4200
Frankfurt	+49 69 299 868 140
Amsterdam	+31 20 502 5800

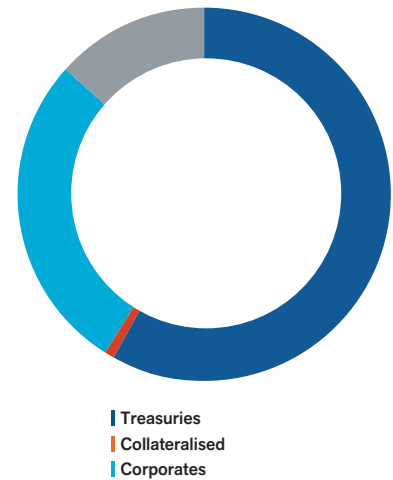
markit.com

Markit iBoxx USD Benchmark Indices

Index calculation

Pricing sources	Barclays Capital, BNP Paribas, Commerzbank, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, Morgan Stanley, and UBS.
Calculation frequency	Approximately 4:00pm EST/EDT
Rebalancing	Monthly in accordance with rules available on www.markit.com/indices .
Standard rating indices	AAA, AA, A, BBB
Standard maturity bands	1-3, 1-5, 1-10, 3-5, 5-7, 5-10, 7-10, 10+, and 15+ years.
Base date	31 December 1998
Bond weighting	Market capitalisation.
Index views	Markit iBoxx \$ Indices: All \$ denominated bonds Markit iBoxx \$ Domestic Indices: Domestic and global \$ bonds Markit iBoxx \$ Eurodollar Indices: Eurodollar and global \$ bonds

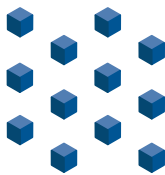
Index Weights as of December 31, 2012



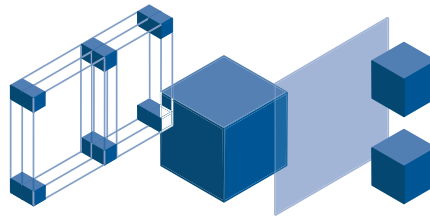
Construction

Markit iBoxx Indices multi-dealer pricing contributions and rigorous data checks provide the clearest view of the market.

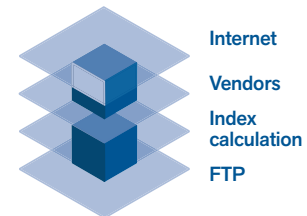
Raw quotes



Checking, consolidating and parsing



Individual checks



Research & design

Index rules
Market research documentation
Index calculation methodology
Data procurement
Prototyping and testing
Project management

Quality control

Manage rebalancing process
Index research and previews
Custom index development
Daily control of constituent lists
Client services
Reference database control

Receive daily price data
Price cleaning and control
Price consolidation
Quality reporting and control
Index and analytics calculation
Challenge process

Distribution

Index and data publication
Feeds to vendors
Vendor management